

budget documents, the operating deficit begins to rise, reaching \$500 billion in 2009—deficits as far as the eye can see.

There are three huge problems here. No. 1, we are continuing to add debt at a very rapid rate. No. 2, the glidepath is not downward to lower deficits but upwards to bigger deficits, and it rises more rapidly as we begin paying Social Security benefits to the baby boomers and, as the Social Security surplus shrinks, the true direction of the budget disaster under Bush's plan becomes clear. No. 3, the Bush budget does not include costs that we all know we are going to have.

For example, get this. The Bush budget does not include any additional funds for Iraq after September 30 of this year. In other words, for 2005, beginning October 1 of this year, fiscal year 2005, there are zero dollars for Iraq. We will have no troops there? We will have no support going to Iraq? After September 30 it is just going to all end? Does anyone believe that? Yet this budget has zero dollars in it for Iraq after September 30 of this year. That alone ought to tell you this budget is bogus.

The 2001 tax bill left a timebomb called the AMT, the alternative minimum tax. In 2001, fewer than 2 million, mostly wealthy, taxpayers paid it. By 2010, if it is not changed, over 30 million taxpayers will be paying it, mostly middle-class families. Nobody around here believes that is going to be allowed to happen. Everyone understands it will be fixed, probably at a cost of over \$400 billion. So, what does the Bush budget do? It just fixes it for 1 year. Again, bogus.

What do these huge deficits mean, coming ahead? They mean we are increasingly dependent on the Chinese, Japanese, Korean, and other foreign governments and investors who buy our Treasury bonds.

I said to someone the other day, after looking over this budget and looking over who is loaning us money to buy our bonds, we are actually borrowing money from the South Koreans to finance our deficit.

Mr. REID. Will the Senator yield for a question?

Mr. HARKIN. I am pleased to yield.

Mr. REID. I was struck by the statement made by the Senator from Iowa, that this budget includes not a penny for our troops and the other programs we have going on in Iraq. The question I ask the Senator is, Does this kind of remind you of what took place last year? Does the Senator remember that the President came and asked for a supplemental of \$69 billion early in the year, and then later came and asked for \$87 billion, in 1 year?

Mr. HARKIN. That is right.

Mr. REID. Does the Senator from Iowa think for 1 minute we are going to spend no money in Iraq, after last year having had two supplementals in the amount of more than \$150 billion?

Mr. HARKIN. I tell you, the Senator from Nevada has put his finger on it.

Look, everyone knows, we had the \$69 billion last year. We knew it wasn't enough, so he had to come back and ask for \$87 billion. He got that. We also know that is not enough. Yet the President has the audacity, as the Senator has pointed out, to have a budget that on September 30 of this year has no money for Iraq.

I say to my friend, no one believes that. Yet the President puts it in his budget as though it is factual.

Mr. REID. Will the Senator yield for another question?

Mr. HARKIN. Yes, I am delighted to yield.

Mr. REID. Does the Senator believe that in the Pentagon and in the bowels of the White House they have already prepared the documents for a supplemental appropriations bill to take care of the funding in Iraq and poor little Afghanistan, about which we seem to have just forgotten?

Mr. HARKIN. The Senator from Nevada is very perceptive. He has been here a long time. My good friend from Nevada knows how these things work, and he is absolutely right. The Senator is right. We all know that. The Pentagon already has figures put together. In the bowels of the White House they have figures put together. They already know it is going to cost money for next year.

Again, I guess I respond to my friend by asking him, why wouldn't they be honest with us? Why wouldn't they be honest and put this in the budget? Because everyone knows the facts—that it is going to cost some money after September 30.

I ask my friend what possible reason would they have for saying it costs nothing and they are zeroing it out?

Mr. REID. Because they believe, in my opinion, we will do whatever is necessary to fund the key things that are important. I am sure down there they have taken into consideration the programs they say they are going to cut. I believe this is just a prelude to having these people accomplish indirectly what they can't do directly; that is, decimate and in effect void the Social Security laws that have been in effect for this country for more than 70 years. Those people do not believe in Social Security. They don't believe in Social Security.

I carry this with me, because I want people to know I don't make this up. It is my wallet. It is kind of worn. I am not going to read all of it. But let me just read a couple of statements from Senator Robert Dole, our friend, who is a nice man and does a good job now on television being a commentator. This is a direct quote. He said:

I was there fighting the fight, one of 12 voting against Medicare because we knew it wouldn't work in 1965.

He is one of the patriarchs of the Republican Party who gives advice and counsel to the President of the United States today. He doesn't like Medicare, and most other people at the White House do not like Medicare.

Listen to this one:

Medicare has no place in a free world.

I am not making this up.

Mr. HARKIN. Who said that?

Mr. REID. The recently departed majority leader of the House of Representatives, Dick Armey.

That is only part of what he said.

Medicare has no place in a free world.

I am not making this up. That is what he said.

Social Security is a rotten trick. I think we are going to have to bite the bullet on Social Security and phase it out over time.

These people are doing indirectly what they cannot do directly. They are going to rob this Government of all the moneys they have until they have no choice but to say what we have to do is basically do away with the Social Security program; do away with Medicare. Let the private sector take care of it. If you want some retirement benefits, get it at your job; and if the job doesn't, save it.

Social Security is a rotten trick. That is what they think. But my mother and father who drew Social Security—actually, my dad didn't. He died too early. But my mother did. I don't think it was a rotten trick. I can remember my grandmother. I was a little boy. Every month she got what we called and she called her "old age pension." That was Social Security. That was what gave my grandmother independence from her eight children. She got her check. She didn't have to depend on her children. She was a widow. She got her Social Security check.

I thank my friend very much for talking about this budget, which is as phony as a six-dollar bill.

Mr. DURBIN. Madam President, will the Senator from Iowa yield for a question?

Mr. HARKIN. Yes.

I thank the Senator from Nevada for his questions and for answering one of my questions, too. The Senator is right. There is a part in this budget where essentially the administration points out that with the huge deficits, the Social Security system will be unsustainable in its present form. Talk about code words. There is a code word for privatization. Charge Social Security, turn it over to the private marketplace, and let people take a chance on whatever. I think the Senator from Nevada is absolutely right. I will not say every Republican, because I can't cast the net that far. But I would say there are forces in the Republican Party—the Senator mentioned Senator DOLE and Dick Armey. Newt Gingrich said he wanted Medicare to wither on the vine and also led the charge to try to privatize Social Security.

There are forces at work and they are in control of the Republican Party now that do not like Medicare. They do not like Social Security, and they will do whatever they can to get rid of it. I believe this budget is a step in that direction.

I yield to my friend from Illinois for a question.